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TURKEY

*A Guide
for Canadian Exporters*



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TURKEY

A Guide for Canadian Exporters

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I. THE COUNTRY

Turkey covers an area of about 781,000 square kilometres (301,000 square miles) and has a coastline extending more than 6,400 kilometres (4,000 miles). The greater part of the country lies in Asia (Anatolia) and is bordered on the north by the Black Sea and the U.S.S.R., on the east by Iran, and on the south by Iraq, Syria and the Mediterranean Sea. The remainder of the country (about 24,000 square kilometres, or 9,000 square miles) is in Europe and known as Thrace. It borders Greece and Bulgaria to the west and north with the coastline in the south extending along the Sea of Marmara.

History and Government

Modern Turkey is the direct descendant of the Turkish Empire that once stretched around the southern and eastern shores of the Mediterranean Sea. After many years of ascendancy in which Turkey spread well into Europe, almost to the gates of Vienna, the empire declined until, with World War I, it was shorn of much of its former lands.

The end of World War I marked the start of modern Turkey. The war brought into power General Mustafa Kemal who, as first president, proclaimed the Turkish Republic in 1923. Taking the name of Kemal Ataturk, he led the country into the 20th century, reorganizing its political and social structures and westernizing its society.

Ataturk started the industrialization of Turkey to reduce its dependence on a largely agricultural economy. After his death in 1938, this process continued under succeeding governments. The result has been that today Turkey has a growing industrial base. Turkey is a member of NATO and has associate membership status in the European Economic Community (EEC).

The People

The latest census in Turkey in 1980 has revealed a population of 46 million. The average rate of popula-

tion growth has been 2.3 per cent per annum over the past 10 years. Ninety-five per cent of the population is Moslem. There are Christian (Greek Orthodox, Armenian and Roman Catholic) and Jewish minorities in Istanbul and Izmir. About 50 per cent of the Turkish population is engaged in agriculture. Turks are self-respecting, hard working and hospitable people. While preserving old traditions, they are striving to modernize their country using western societies as models.

Language

Apart from Turkish, English is extensively used particularly in the business community. German has now become the second most important foreign language, while French is used occasionally, particularly in the business communities of Istanbul and Izmir.

Local Customs

Most business entertaining is done in restaurants and clubs.

General Information

Climate — Turkey's climate varies according to district. Winter can be severe on the central Anatolian plateau, in the Black Sea and Marmara coastal districts and, to a lesser extent, the Aegean seaboard. Summer months are usually hot. The southern coastal districts, sheltered by the Taurus Mountains, enjoy a milder winter but are correspondingly hotter and more humid during the summer. April, May and June, and from the end of September to the beginning of December, are the best times to visit Turkey; late autumn and early spring are recommended for the southern coastal districts.

Holidays — The following is a list of official public holidays in Turkey:

New Years Day — *January 1*

Youth and Sports Holiday — *May 19*

Seker Bayrami (end of Ramazan)* — *late July*

Victory Day — *August 30*

Kurban Bayrami* — *end of September*
(Sacrifice Holiday)
Republic Day — *October 29 and 30*

*Dates for these religious holidays differ from year to year.

Business Hours —

	Monday to Friday
Banks	08:30 – 12:30 13:30 – 17:00
Government Departments	08:30 – 12:00 13:00 – 17:30
Foreign Embassies (Western Countries)	08:30 – 12:30 13:30 – 17:00
Canadian Embassy	08:30 – 12:30 13:30 – 17:15
Business Offices	09:00 – 12:30 13:30 – 18:00
	Monday to Saturday
Retail Establishments	09:00 – 13:30 14:00 – 19:00

II. ECONOMIC INFORMATION

In January 1980, Turkey introduced a series of broad stabilization measures designed to control high inflation, to reduce the large balance of payment deficit and to stimulate economic growth. These measures began to take effect in the fourth quarter of that year and continued through 1981. As a result the Turkish economy showed significant improvement in 1981.

A real growth rate of 4.3 per cent was achieved and inflation was reduced from 94 per cent in 1980 to 36 per cent in 1981. Total industrial output was up 7.6 per cent with the output in the mining sector up 12 per cent and that in the manufacturing sector up 7.3 per cent. The rapid growth of exports of goods and services reduced the current account deficit from \$3.7 billion in 1980 to \$2.3 billion in 1981. Exports stimulated by special export incentives showed a spectacular increase of 61.6 per cent from \$2.9 billion in 1980 to \$4.7 billion in 1981 and are projected to reach \$6 billion in 1982. Agricultural exports increased by 32.8 per cent while industrial exports more than doubled. Turkish contractors and engineering firms successfully competed for overseas projects and signed contracts valued at more than (U.S.) \$10 billion. Most of this overseas work is in Libya, Saudi Arabia and other Arab countries.

Imports also grew but at a much reduced rate, increasing only 12.9 per cent from \$7.9 billion in 1980 to \$8.9 billion in 1981 and are expected to reach \$10 billion in 1982. Significantly, petroleum products and crude oil, previously the major components of import increases, represented only 1.6 per cent of the total increase while industrial goods accounted for 55.5 per cent.

The direction of Turkey's trade has altered in recent years. The EEC countries have traditionally been dominant in Turkey's trade; however, in 1981 trade with the Middle East and North African countries surpassed that with the EEC members.

A high level of unemployment has been characteristic of the Turkish economy for years. The government estimate of unemployment in both 1980 and 1981 is approximately 15 per cent although this may be taken as a conservative figure. The main causes of unemployment continue to be the under-utilization of manufacturing capacity, the low level of aggregate demand and the new additions to the labour force. Large numbers of Turks continue to seek work overseas and have provided the workforce for Turkish contractors operating in third countries.

The State Economic Enterprises (SEE) which have played a major role in the Turkish economy since the time of Ataturk underwent change in 1981. Historically, the SEEs have shown poor financial results due to inefficient management, poor industrial relations, technical problems in design and operations and political involvement in policy decisions.

In 1980, the reform of the SEEs began. Central government administration was reduced, prices of SEEs goods were made more competitive and government subsidies began to be phased out. A system of comparative cost studies with similar private operations was implemented and any cost increases in imports essential to SEE production lines are now reflected in retail prices. Government subsidies to the 35 SEEs totalled Turkish Lira (TL) 23.1 billion in 1980 but only TL 6.6 billion in 1981. SEEs investment expenditure which was 10.4 per cent of the Gross National Product (GNP) in 1980, was reduced to 8.1 per cent in 1981 and is estimated to be 7.8 per cent in 1982. These changes and the opening up of the SEEs to market forces, produced an increase in SEEs income from TL 1.146 billion in 1980 to TL 1.780 billion in 1981. While expenditures also rose, the net result was a decline in the net operating loss before taxes.

To assist in the restructuring and development of its economy, Turkey has relied heavily on external financing assistance. The International Monetary Fund (IMF), in June 1980, issued a SDR of \$1,250 million to support the new economic measures. These funds were available over a three year period and, as of March 1982, SDR \$760 million had been drawn. A further \$490 million is scheduled to be drawn by June 1983.

Total project loans from the World Bank were \$341.5 million in 1980 and \$261.5 million in 1981. Structural adjustment loans in support of long term reform in energy, taxation and public enterprises totalled \$275 million in 1980 and \$300 million in 1981.

Additional funds pledged by the Organization for Economic Co-operation and Development (OECD) nations in the form of both program and project credits totalled \$973.8 million in 1981. Canada contributed \$12 million and the funds were fully disbursed.

Turkey also obtained support in the form of project and program credits negotiated on both bilateral and multilateral basis. Project credits totalled \$1.022 million in 1981 and were obtained from Eastern Block countries, OECD special assistance, the World Bank, European Investment Bank and the Islamic Development Bank. Program credits used primarily to finance imports of crude oil and essential industrial imports totalled \$1.239 million in 1981.

Turkey expects that an additional \$4.2 billion in loans will be obtained through July 1983. These include \$800 million from the World Bank, \$700 million from the OECD countries, \$520 million from the IMF, \$300 million in commercial loans from European and United States financial concerns, \$125 million in petro-dollar loans from the Kuwaiti and Saudi Arabian funds and \$1.0 billion in revolving loans from Libya, Iran, Iraq, Saudi Arabia and Kuwait. Turkey also expects to receive an additional \$750 million within the framework of bilateral economic and military aid.

Turkey's total external debt was \$18.3 billion as of December 31, 1981. Of this amount \$13.480 billion was in the form of disbursed medium and long term debts, \$2.111 billion short term debt and \$2.779 billion of undisbursed debt to the private and public sectors. Recent debt rescheduling has significantly decreased the proportion of Turkey's short term debt in relation to medium and long term debts.

Investment Policy

The announced policy of the government is to encourage private foreign investment in projects which are in Turkey's national interest, to introduce new technology and to promote exports. Tax and import duty

concessions are available for approved investments. The repatriation of profits and capital is allowed in principle.

In past years, the actual application of the foreign investment policy has not been as liberal as stated and both restrictions and government controls have inhibited normal business operations. Such actions include work permit refusals, mandatory export levels, disagreements over amounts of remittable profits due to differing interpretations of Turkish financial regulations and direct or indirect government controls over prices. Expansion of existing investments is controlled and limited by a requirement that any capitalization of retained earnings must be approved by a separate decree of the Council of Ministers.

Recognizing these deficiencies Turkey has created a new Foreign Investment Department within the State Planning Office with the mandate not only to encourage and plan investments but also to reduce or eliminate existing problems. The new department also issues investment licences and investment incentive certificates.

The government favours private investment in projects that will help fulfill its development goals, increase foreign exchange earnings (either through exports or import substitution) or transfer "significant" new technology to Turkey. Some industries are closed to private investment, including those in which the government exercises a monopoly.

The only Canadian companies with investment in Turkey are Northern Telecom and Massey-Ferguson.

Canada-Turkey Trade

Canada is not a major trading partner of Turkey. The largest volume of Turkey's trade is with Middle East countries and the European Economic Community.

In 1982 Canadian exports were \$109.5 million, accounting for 0.84 per cent of total imports. These exports have been made possible in part through loans granted by the Export Development Corporation and Canadian International Development Agency (CIDA) through OECD pledges. Turkish exports to Canada in 1982 were \$11.65 million.

Canadian Exports to Turkey

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Woodpulp, bleached kraft paper, ground hard	\$1,100,000	\$1,500,000	—
Woodpulp, bleached sulphite paper grades	423,000	1,080,000	819,808
Fuel oil, heavy No. 4-6, bunker	—	20,086,742	—
Sulphur, crude or refined	—	—	2,286,900
Aluminum pigs, ingots, shot slab	4,902,109	16,720,302	26,206,172
Construction machinery, equipment	887,686	2,685,566	753,937
Telephone appa- tus equipment, parts	16,855,983	19,017,111	38,434,986
Polyethylene resins	1,183,234	22,172	16,614
Steel blooms, billets, slabs	1,951,264	—	—
Saws, sawmill machinery, equipment	1,391,388	43,771	334,167
Pulp and paper industry machinery	73,270	—	115,987
Military weapons	1,340,626	7,550	14,287
Steel scrap	1,141,515	—	753,151
Pig iron	647,400	417,335	—
Asbestos, milled, fibres	1,010,000	1,700,000	1,254,425

Sheet, strip, steel products	—	—	21,167,529
Newsprint	1,745,328	—	—
Copper, ores, concentrates	—	6,333,662	9,530,231
Motor vehicles, parts, bearings	1,018,244	74,214	100,505
Soya bean oil	—	—	1,692,008

Turkish Exports to Canada

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Raisins	\$26,559	\$2,889,519	\$2,798,636
Fruits, preserved, not canned	817,695	360,384	107,083
Filberts, shelled or roasted	2,711,096	2,188,539	820,248
Tomato paste, canned	210,503	714,157	1,923,911
Telephone apparatus, equipment, parts	2,017,055	1,541,906	—
Nuts, kernels, seeds, shelled	378,701	150,472	58,310
Apricots, dried	1,582,390	1,416,478	1,765,613
Oriental rugs	218,311	144,186	168,273
Apple juice concentrates, not frozen	412,390	—	—
Figs, dried	299,165	265,528	205,961
Vegetables, dried	344,215	284,259	679,801
Non-metallic minerals, crude	1,247,894	—	1,146,032

Turkey's infrastructure requirements and industrialization program present opportunities for Canadian equipment and machinery manufacturers, particularly in resource-based fields and electrical, electronics, telecommunications and transportation sectors.

Opportunities for foreign consultants are increasingly limited to highly specialized fields where international financing is available or to joint ventures with local partners for a turnkey project supported by bilateral financing. The immensity of the development program and the economic situation demand that companies accompany their bids with offers of financing, if possible, including financing for the downpayment portion of a loan. Such offers invariably receive preference.

III. BUSINESS INFORMATION

Representation

Unless a firm's interests are large enough to warrant the opening of an office in Turkey, the most effective means of introducing and developing sales of products is by securing the services of a reliable and qualified local representative on a commission basis, or in the case of certain goods, as a distributor. Most Canadian export trade with Turkey is done through local agents who keep their principals informed of local market conditions.

Careful inquiries regarding the standing and possible conflicting interest of any prospective agents should be made before any agreement is signed.

It is recommended that exclusive agents/distributors be appointed, either for the whole country or for specifically designated areas or types of business.

Istanbul and, to a lesser extent, Izmir are the chief markets for imports; Ankara is the centre for most government business.

For most goods, it is best either to have an agent in Istanbul who has a branch or agency in Izmir, Ankara and Adana, or to appoint separate agents in each of these centres. The more reliable Istanbul agent-firms cover all parts of the country at regular intervals; at present, comparatively few Ankara and Izmir firms have coverage outside their immediate areas.

In cases where a large volume of government business is expected, it is essential either to appoint an Ankara firm specifically for such business, or to appoint an Istanbul firm which has its own branch office in the capital.

Much government business is transacted on a system of public tender and competent local representation is virtually essential during the preliminary stages. Often the bidder who received the earliest advice of an impending tender call obtains the contract, if only because it is by no means unusual for the specifica-

tion to have been written around his product. Thus, it is of great importance for the would-be supplier to have an efficient and well introduced agent on the spot who can keep in regular touch with potential buyers and give his principals early notice of forthcoming investments, plant extensions, as outlined in the Five-Year Plans, annual Development Programs or other sources. For the more important contracts, the presence of a technically qualified member of the contracting firm is an advantage.

Reports on the suitability-for-purpose of Turkish firms as potential representatives or partners (joint venture or manufacture-under-licence) of Canadian manufacturers can be obtained through the Commercial Division of the Canadian Embassy in Ankara. These are of an unofficial nature since standard reports as those provided by firms such as Dun and Bradstreet are not available.

Once an agent is appointed, he should be given his principal's fullest support regarding literature, technical information, etc. Possible government buyers and the larger importing firms should be given catalogues and other literature clearly indicating the name and address of the local agents/distributors. In the case of technical products, agreement should be reached with the agent concerning the publication of Turkish-language leaflets, catalogues, instruction manuals, in accordance with Law No. 632. Since blue collar workers utilizing imported machinery understand little English, it is essential to provide Turkish instruction manuals for practical as well as legal reasons.

Agency Legislation

Sections 116 to 134 of the Turkish Commercial Code, Law No. 6762 of June 29, 1956, govern the position of agents in Turkey. Under the law, each of the parties may terminate the agency contract concluded for an undefined time upon giving three months' notice. If a term has been specified, the contract may also be terminated on cogent grounds. The party terminating the contract without cogent grounds and without three months' notice shall compensate the other party for the losses resulting from the non-completion of business in progress.

Visits by Canadian Representatives

The Turkish market and the Turkish foreign trade and exchange regulations are subject to rapid change and, no matter how efficient and reliable an agent or distributor may be, regular visits by representatives of Canadian manufacturers and exporters are an essential part of a progressive selling policy.

Turkish government and private customers welcome visits from manufacturers' representatives. Such visits often accelerate the finalization of orders which have been under discussion for months.

Canadian manufacturers should also encourage visits to their plants by their agents/distributors and entertain visiting Turkish government officials, importers and equipment users.

Buying Seasons

There are no specific buying seasons except in Izmir, during the Izmir International Trade Fair (August 20 to September 10).

Foreign Investment in Turkey

Joint ventures with Turkish companies can be advantageous but the present application of the law on foreign investment sets stringent conditions for project approval. Licensing agreements are also worth considering and are more likely to be approved.

Correspondence and Trade Literature

Correspondence and trade literature can be in English or in French, but technical leaflets, catalogues and instruction manuals must be in Turkish. Weights and measures should be in the metric system.

Price Quotations

Prices should be quoted in Canadian or United States dollars, f.o.b. and c.i.f. port of discharge. The quotations should indicate the separate value for goods, insurance and freight. C.i.f. prices must be strictly maintained (even if this means an adjustment of invoice prices on individual items). Customers in both public and private sectors insist on quotations

for a fixed period rather than price escalation clauses, since it is difficult to raise the amount of foreign exchange required after an import licence has been issued.

Tenders

Bidding on Turkish tenders is difficult. The tender system offers relatively short lead times; specifications in some cases are written around a specific company's or country's products; and there is a general reluctance to extend bidding deadlines unless it is apparent that nearly all prospective bidders on a particular tender will be unable to submit quotations. In addition to these difficulties, bids are rejected by some ministries for trivial omissions such as the lack of a stamp or signature.

It is not unusual for tenders to be called on a speculative basis. The buyer then uses them to prepare his specification often taking the "best" from each tender so that no single contractor can supply exactly what is called for. For very large contracts, it is common practice to call for qualification bids. Potential contractors/suppliers are asked to submit details of their past experience, workforce, product line and other data. The final tender calls then are sent only to those selected in this preliminary scrutiny.

The principal legislation on this subject, promulgated in 1934, is "The Law Governing the Adjudication of Contracts by Government Departments and Some Related Concerns" (Law No. 2490) which specifies that buyers are bound to accept the "lowest suitable offer". This condition often causes problems since buyers do not put too much emphasis on "suitable" in case they should be accused of discrimination.

All government departments and organizations covered by Law No. 2490 are required to make public calls for tender, usually in the Official Gazette, in the daily press or in both. For local purchases, at least 15 days notice is normally given; for purchases from abroad, 45 days notice is the usual minimum but translation time reduces this period considerably.

Two types of adjudication are in force: an open bargaining session usually only for local purchases, up to relatively modest sums and sealed envelope bids. In both cases, tenderers must provide a bid bond

(either a cash deposit, treasury bonds or a bank guarantee) of good faith.

Foreign bidders usually provide their own bid bonds, in the form of a bank guarantee. Some regular bidders make an arrangement with their local agent/distributor to provide them with a "float" deposit or guarantee against which they obtain local bonds as required.

Turkish clients accept only locally issued bid and performance bonds so that those provided from abroad have to be converted through a Turkish bank. Stamp duty on both bid and performance bonds amounts to a total of 1 per cent of bond value and is payable again if the period of the bond is extended. The standard rate of interest charged by Turkish banks on bid bonds is 1/8 per cent for the first month and 1/4 per cent per quarter (or part thereof) thereafter; on performance bonds the rate is 1/4 per cent per quarter. All such charges are subject to a 25 per cent Transaction Tax.

The value of the bid bond depends on the value of the tender as follows:

- 7.5 per cent for the first TL 50,000 value
- 5 per cent for the amount from TL 50,001 to TL 250,000
- 4 per cent for the amount from TL 250,001 to TL 1 million
- 3 per cent for the amount in excess of TL 1 million
(That is, a bond for TL 58,750 must be provided for tenders amounting to TL 1.5 million.)

In Turkey, tenders are requested on a fixed price basis f.o.b. in United States dollars with separate quotations for insurance and freight. It is unusual that an escalation clause be accepted, especially under Law No. 2490. There is, in fact, no provision in the import regulations for import licence values to be raised. On occasion tender calls specify that preference will be given to the bidder offering the most attractive credit terms.

In the case of machinery and plant, it is unwise to quote for a process, machine or component which does not exactly fit the specification, even if the tenderer's alternative is cheaper and/or more efficient. It is best to quote for exactly what is specified and make a separate tender (or footnote) showing the alternative process, and the difference in price.

German (DIN) standards and, to a lesser extent, British Standards (BSS) are commonly used. If there is any variation between the Canadian product and these specifications, the standard for the product should be mentioned by the tenderer. It is often advisable (if not mandatory) to offer the maximum possible content of Turkish-made/supplied materials, local labour. Great importance is placed on foreign exchange saving. In practice, tenders for all engineering and similar consulting contracts must be made jointly or in association with a local firm or firms.

Contracts are usually prepared and signed within 15 days of the adjudication, although no period is fixed by law. If, before the contract is actually signed, a competitor submits an offer which is a fixed minimum percentage below the originally accepted price (this varies from 5 to 15 per cent according to the category of purchase) the newcomer is awarded the contract, unless another bid is received which undercuts the new price by the usual minimum of 5 per cent. Before the contract is signed, the successful bidder must convert his bid bond into a performance bond. The rates for the latter are double those for bid bonds and most buyers request that the period of validity be unlimited. Japanese and West German contractors mostly observe this requirement but few Canadian companies do. Instead, Canadian exporters provide a bond for the contract term plus a reasonable additional period. This arrangement is acceptable although sales are known to have been lost because an open period bond was offered.

For administrative or financial reasons, letters of credit (LC) are seldom opened promptly after the signing of a contract. Most contracts go into effect with the opening of the LC or upon receipt of the first payment but, in practice, Turkish government sector buyers consider the contract to be in force from date of signing. Legally, of course, this is not the case. It is best to 'play safe' and not process the contract unless the local agent/distributor gives his assurance that there will be no unreasonable delay in opening the letter of credit.

Buyers in Turkey normally appoint an independent professional inspection agency for pre-shipment acceptance. Final acceptance of machinery or equipment is set to follow a fixed trial period. Contractors

often make the final 10 per cent payment after acceptance, but since this is not always a routine procedure, delays and difficulties do arise.

In the case of produce, final acceptance is usually taken by the buyer's representative either at port of shipment or at port of arrival in Turkey.

Where payment terms specify an amount in advance of shipment/installation, the supplier must provide a bank guarantee that if the terms of contract are not met and delivery is not in time, the advance payment(s) will be refunded in full to the buyer.

Although Law No. 2490 does not apply to state enterprises or to many other state sector organizations, most of these have standard tender terms which are basically similar to Law No. 2490 but do not bind them to accepting "the lowest suitable tender". All such organizations demand bid and performance bonds but mostly at a flat rate below the average rate of Law No. 2490. They are not bound to make public calls for tender and may simply make a direct approach to potential suppliers known to them. Canadian exporters with or without local representation should ensure that all government sector buyers have their literature on file.

Local Contracts

There is a schedule of heavy compulsory charges for having local contracts certified by notaries public. The approximate rate is between 5 and 7 per cent per mille or 0.6 per cent of the total value of the contract.

Credit

Credit terms are limited to cash against documents (c.a.d.), cash against goods (c.a.g.) and acceptance transactions. Canadian manufacturers and exporters should take steps to satisfy themselves of the standing of their customer before granting c.a.d. and, particularly, c.a.g. terms. The Turkish Central Bank normally approves applications for the transfer of foreign exchange without difficulty if all regulations have been complied with. From time to time, the government places orders on medium to long credit terms. Such cases should be investigated and considered on their individual merits.

No import licences or cash guarantees are required for books and exposed films. Exporters of such goods should, therefore, take particular care to ascertain the credit-worthiness and commercial standing of the buyer before shipping under these terms. Unfortunately, there have been many cases of bad debts in this sector.

Debt Collection

Litigation in Turkey is slow and costly. It is often best to give the local agent and banks discretion to make as good a settlement as possible.

Debts should not arise when goods are imported on letters of credit terms. If goods have been shipped on c.a.d. terms and the customer fails to take delivery of them before the import licence expires, or if they have been shipped on c.a.g. terms and the customer fails to apply for the foreign exchange within the specified period of clearing the goods through customs, the customer subsequently will not be allowed to pay for his order. It is advisable in any case to instruct bankers to release c.a.g. documents against the provision by the importer of a post-dated foreign exchange transfer application. Such an application cannot be used until it is backed by the customs house documents showing that the goods have been cleared. In these circumstances, any payment the customer may make, either for the goods or as a result of a settlement with the exporter, will be blocked at the Central Bank and can only be released for use within Turkey for certain specified purposes. Such blocked funds can occasionally be sold to persons outside Turkey, but only at a heavy discount.

It is most difficult to arrange for the re-exportation of c.a.d. or c.a.g. consignments without the co-operation of the consignee who is required to sign the relevant documents.

Patents and Trademarks

Manufacturers and traders are strongly advised to patent their inventions and register their trademarks in Turkey. Applications should be made through a patent or trademark agent either in Canada or in Turkey.

Turkey subscribes to the International Convention for

the Protection of Industrial Property and to the European Convention relating to the formalities required for patent applications.

Patents — Application for a patent may be made by the inventor or by his assignee, whether an individual, firm or corporation. Prior to the filing date (or the convention date) of the application, an invention must not have received sufficient publicity in Turkey or elsewhere to enable it to be put into practice. Patents of invention are granted for terms of 5, 10 or 15 years at the option of the applicant, and are subject to the payment of annual renewal fees. Inventions which have become known as a result of publication by foreign patent offices, but which had not been publicly worked in Turkey, may be protected by a patent of importation, provided application is made to the Turkish authorities within one year of the registration of the foreign patent.

Trademarks — The first applicant is entitled to registration and exclusive use of a trademark. However, a prior user of a mark for the same goods may prove, in a lawsuit or counter-claim, his prior right either within six months following the registration or use of the mark by the registrant and, in any event, within three years of the publication of the registration.

Registration lasts for 10 years and may be renewed for a similar period. Such renewal may be made within three years from the expiry date of the registration to become effective as of that expiry date.

The use of a registered trademark on all industrial products, whether locally manufactured or imported from abroad, may be required by a decree of the Council of Minister.

Advertising

Canadian exporters should consult their advertising agency before launching a comprehensive advertising campaign in Turkey.

Newspapers — The newspapers with the largest circulations are published in Istanbul. The largest is *Hürriyet* (circulation of 650,000), followed by *Günaydin*, *Tercüman*, *Milliyet* and *Günes*. The major national

Ankara papers are Zafer (circulation 5,000), Baris and Bütün. There are a large number of magazines which deal with local and international topics. The Günaydin group of publications produces 10 different magazines (total circulation 800,000), followed by the Hürriyet group (total 600,000 copies).

There are two English language papers, The Turkish Daily News and Outlook (a weekly) in Ankara, both with small circulations.

Trade News — Almost all newspapers carry a page devoted to economic/trade news. There are a few newspapers dealing with this subject and these have a circulation of about 50,000.

Radio and Television — Short periods are available for advertising purposes on the state radio. There is a state television service that accepts advertising, run by the TRT in all provinces of Turkey.

Trade Fairs

The Izmir International Trade Fair, held annually from August 20 to September 10, attracts about 4 million visitors. It is the largest trade fair in the Middle East and the only one in Turkey open to non-Turkish exhibitors. In 1981, 35 countries sponsored national pavilions and displayed a large variety of goods ranging from raw materials to advanced technological equipment and heavy machinery. The Izmir Trade Fair is a unique event as specific import quotas are negotiated and obtained prior to the opening date; thus very few orders are written during the fair. For further information about the Izmir Fair, please contact the Commercial Division of the Canadian Embassy in Ankara (address on title page).

IV. IMPORT AND EXCHANGE CONTROL REGULATIONS

Exchange Control and Terms of Payment

An import licence guarantees that the necessary foreign exchange will be made available. Imports can be paid by letter of credit, cash against documents (c.a.d.) or cash against goods (c.a.g.) terms.

Letters of credit may be opened for a maximum of five months from the date of issue of the import licence. Under c.a.g. terms, the importer must apply for the transfer of payment to the authorized banks within five months of the date of the import licence. Documents may not be released to the importer until after the transfer has been made. In c.a.g. transactions, the importer should apply for transfer of payment within two months from the date of physical importation of goods and deposit with the authorized bank the equivalent amount in Turkish lira. If the importer fails to meet this condition, application made until expiry of the sixth month will be accepted only on provision that the import guarantee is forfeited. (This rule does not apply to state sector importers.)

Acceptance credits for periods of at least six months may be used for imports of specified commodities. Applications for special credit terms, for example, are accepted for complete factory installations.

Customs Tariff

The customs tariff is based on the Customs Council Nomenclature (formerly Brussels Nomenclature) system. It is advisable to quote the tariff numbers in making enquiries but to omit them on invoices unless requested by the customer. Most duties are ad volorem and levied on the c.i.f. value of the goods.

Taxes

In addition to customs duty the following charges are made:

Municipal tax	15 per cent of customs duty
Wharf dues	5 per cent of the sum of the c.i.f. invoice values, customs duty, municipal tax and stamp tax on customs declarations
Expenditure tax	at varying rates levied on the sum of the c.i.f. invoice value, customs duty, municipal tax, wharf dues and stamp tax on customs declarations
Stamp duty	9 to 10 per cent of the c.i.f. value of the goods
Miscellaneous customs charges (including warehousing)	The total charge will vary but is approximately equal to 2 per cent of the c.i.f. value.

Import Procedure

The import licensing and quota system in Turkey severely restricts the range and quantity of goods that may be imported. Nearly all imports are subject to licensing, but special regulations apply for books, printed matter, exposed films, photographs, posters, NATO offshore purchases, arms and ammunition. Licences are only granted to persons or firms issued with an Importers' Certificate.

Permissible imports are listed under two headings:

- (i) Liberalization List I
- (ii) Liberalization List II

Copies of current import lists are available from Turkey's Ministry of Commerce, Overseas Tariffs and Regulations Sections, Export Services and Promotions Division. Exporters planning to do business in Turkey should study these lists as a matter of first priority. No goods should be shipped without an assurance that an import licence has been issued and is still valid.

Pharmaceutical raw material imports are subject to pre-import price control by the Import Goods Registration and Price Control Department of the Turkish Ministry of Health. All other import prices must be registered with the department after importation and may be subject to verification.

Applications to the Ministry of Commerce for import licences must specify the following:

- (a) the importer has an Importer's Certificate;
- (b) the price is comparable with world market prices or with applicable prices in the country of origin (this is aimed at preventing over or under-invoicing);
- (c) the period within which importation can be effected and the goods marketed;
- (d) the industrial capacity, consumption or production volume and the estimated value of exports of the customer.

Imports under Liberalization List I

No importation limit is placed on the value or quantity of individual goods of List I. However, there is a variable overall limit and the Ministry of Commerce is authorized to suspend the importation of any

commodity either temporarily or permanently if the need arises. Applications for imports under this list are made by the importer to authorized commercial banks. The actual permit will be issued to the importer by the Central Bank provided that:

- (a) for letter of credit or cash guarantee (see below) transactions, the Turkish lira equivalent of the amount of foreign exchange to be transferred is deposited with an authorized bank and a fund allotment request is filed with the Central Bank along with the import permit request;
- (b) for c.a.d. or c.a.g. imports, the cash guarantee is deposited with an authorized bank and the selected mode of payment is marked on the import permit request.

Imports under Liberalization List II

Initial approval of imports under List II is often delegated to government departments. Importers should apply to the responsible department and submit a foreign exchange requisition form. Approved applications are forwarded to the Ministry of Commerce which issues a permission certificate valid for two months. After approval by the Price Control Department, the procedure follows that for List I imports.

Cash Guarantees

Cash guarantees must be deposited by importers and are refunded upon completion of the transaction for imports to the non-public sector. The guarantees required for Liberalization List I and List II imports are:

- a. imports by industrialists for their own requirements 7.5 per cent of value
- b. imports by commercial importers 15.0 per cent of value

A special rate of 1 per cent applies to ammonia, cattle for breeding purposes and goods for the private sector investment quota. Importers who fail to complete an authorized import transaction are liable to a penalty of up to 10 per cent of the Turkish lira countervalue of the licence. Imports on consignment are not normally allowed and re-exportations can only be made with the permission of the Ministry of

Commerce or customs authorities. Import licences are valid for a period of six months from the date of issue and goods must be effectively imported within this period. However, goods which have arrived at Turkish customs within the prescribed time limit, but which could not be imported in time, may be cleared within 20 days of the expiry of the licence.

In the case of goods which require more than six months to manufacture, an additional period can be added to the term of the licence at the time of issue upon application to the Ministry of Commerce.

Extensions to the period of validity of exchange allocation certificates and import licences may be claimed in certain prescribed cases or proved force majeure for up to one month and up to six months respectively. Non-force majeure extensions may also be obtained for a maximum of 12 months, provided the importer forfeits from his guarantee 1 per cent of the licence-value for each month's extension. The regulations are strict and later deliveries are at risk. Time lost due to transfer delay is automatically added to the validity period of the licence.

The importation of old, used, substandard or reconditioned goods is not permitted unless special authorization is granted by the Ministry of Commerce.

Turkey and the EEC

An Association Agreement between the EEC and Turkey provides for the gradual elimination of Turkish duties on imports from the original six members of the EEC. Under an interim agreement, these provisions now also apply to Britain. Turkey reduced duties for EEC imports by 10 per cent on January 1, 1973 and another 10 per cent on January 1, 1976. Future scheduled reductions have been postponed.

Documentation

The following documentation is required for goods imported into Turkey:

- (a) A *commercial invoice* in triplicate is essential with the original certified and signed by the exporter as follows:

"We hereby certify that this is the first and original copy of our invoice, the only one

issued by our firm for the goods herein mentioned."

- (b) A *certificate of origin* in duplicate issued by a Chamber of Commerce or similar body is necessary where the standard rate of duty is subject to a contractual or other reduction. This must be certified by a Turkish consular officer. The certificate must contain the name and address of the consignor and consignee, nature of goods, type of packing and number of packages, marks, numbers, gross and net weights in kilograms f.o.b. and c.i.f. values and shipping route.
- (c) Four copies (two originals) of the *bill of lading* and a *packing list* in triplicate are also required.
- (d) *Sanitary certificates* are required for plants, livestock and certain animal products.

No erasures or corrections are permitted on any shipping document and it is important that the description on the invoice, certificate of origin and bill of lading be identical.

It is essential that the description of goods be absolutely accurate. All merchandise arriving in Turkey, especially processed goods, is subject to verification by customs authorities. Turkish Customs personnel is very rigid in the interpretation of the regulations which make no provision for the slightest error in description, weight, value or other data. Heavy fines are imposed if the description does not conform with the product. In most cases, such fines represent more than the value of the goods, so that the need for the most meticulous accuracy is evident. In case of doubt, shippers should request specific written instructions from the buyer.

Samples

Samples of no commercial value, which are easily identifiable as samples and which could not be put to any other use are admitted duty free. Samples of value and advertising matter are subject to duty at the rate applicable to commercial shipments of the goods represented. They may be sent by post or freight.

Samples of value taken in by visitors may be imported duty-free provided:

- (a) a deposit for the amount of duty is made with the Turkish Customs authorities;
- (b) the samples are re-exported within six months; and
- (c) the samples are entered by the owners or the owners' representatives.

With the international customs clearance document (ATA) or cash guarantees, samples and goods for display or use at exhibitions, fairs, meetings or similar events, and professional equipment, may be temporarily admitted into Turkey duty-free without import prohibitions and restrictions, subject to re-exportation within six months.

Insurance

Unless instructions are given to the contrary, goods should be fully insured on the CIF value and covered for the transit from the seller's warehouse to that of the buyer.

Any insurance coverage required by a company licensed to operate in Turkey must be taken out in Turkish lira with an insurance company (national or foreign) authorized to operate in Turkey. Exceptions are made for coverage not obtainable in Turkey.

Port and Warehouse Facilities

Unloading time at Istanbul and Izmir may take two to three days. Some shipments are still discharged into lighters, therefore strong packing is essential. At Istanbul, most cargo is handled across the quays. Warehouse facilities are not adequate and only limited covered storage is available. Care should be taken to notify local steamship agents in advance if shipments requiring heavy lift facilities are coming into port.

Merchandise Marks

The Turkish government does not ordinarily require imported merchandise to be specially marked to show country of origin. False indication of origin is, however, prohibited.

Hallmarking regulations apply to imported articles made of gold and silver. X-ray films must be marked both on the inner wrapping of black paper and on outer boxes with the last date indicated by the maker on which they can be used with success.

The outer packing of cotton and antiseptic gauze must bear the name and address of the producer as well as local druggist or distributing agent. Drugs, pharmaceutical products and certain toilet preparations must be registered and approved by the Turkish Ministry of Health before importation and are subject to detailed labelling regulations.

All industrial products marketed in Turkey are required to bear a registered trademark.

The name and address of the manufacturer of inorganic and synthetic organic foodstuff colours, the trade and scientific name of the product and, if the product is a mixture, the names and amount of each mixture, must be shown clearly on the labels.

V. YOUR BUSINESS VISIT TO TURKEY

Passports and Visas

Travellers to Turkey must carry valid passports. Visas are not required by holders of Canadian passports who intend to visit Turkey for less than three months. For a visit exceeding three months, a residence permit must be obtained and visitors during their stay should notify the police of their address.

Visitors who apply for a residence permit before the expiry of the three months will be charged TL 500 for a permit valid for six months from the date of arrival and TL 250 for the entry visa. Residence permits valid for one year cost TL 600 and those for two years TL 800. Foreigners in the following categories are granted a residence permit, free of charge, for one year:

- (1) persons arriving with the exclusive object of scientific research and work;
- (2) newspaper correspondents doing no other work;
- (3) specialists employed by Turkish government departments and municipalities.

Travel regulations are liable to change at short notice, businessmen planning a visit are advised to consult their travel agent or the consular authorities of Turkey in Canada before departure.

Health Regulations

Visitors are not required to produce vaccination certificates except when travelling from an infected area. As there have been outbreaks of cholera in the Middle East and Eastern Turkey, vaccination against the disease is advisable.

Currency

The official currency is the Turkish Lira (TL). Businessmen are advised to consult their banks for the latest rate of exchange. Denominations of the currency in circulation are: 5, 10, 20, 50, 100, 500,

1,000, 5,000 and 10,000 lira notes and 1, 5 and 10 lira coins.

There are no import restrictions on foreign currency, but not more than TL 10,000 may be taken into or out of the country. Turkish currency may be exchanged only with a banker's exchange slip showing that the currency was obtained from the sale of foreign exchange in Turkey.

Bank Facilities

Travellers' cheques are recommended. The Eurocheque system is in operation in some banks in the main centres.

Customs and Other Formalities

Visitors are not required to declare personal jewellery or watches. Two hundred cigarettes, 50 grams (1.7 ounces) of tobacco or 20 cigars, 1 litre (34 ounces) of alcoholic beverages and 1,000 grams (7 ounces) of tea may be imported duty free.

Gifts and other articles bought in Turkey up to a value of TL 5,000 may be freely exported. Evidence, such as a local bank statement, showing that the visitor has sold sufficient foreign exchange to cover the cost of the purchase is, however, required for the export of gift and other articles of a value exceeding TL 5,000. The exportation of antiques without a licence is prohibited.

How to Get There

The two international airports in Turkey are Esenboga, 30 kilometres (19 miles) from Ankara, and Yesilkoy, 24 kilometres (15 miles) from Istanbul. Airline bus services and taxis to the city centres are available at the airports.

There are frequent direct flights to Istanbul from most major European cities operated by international and Turkish airlines. Foreign airlines providing direct service to Ankara are Swissair, Lufthansa, KLM and PanAm.

There are no direct passenger steamship services from Canada. In the summer, Turkish Maritime Lines run a weekly passenger service to Istanbul from the

main north and south Mediterranean ports and a car ferry service from Venice to Brindisi and Izmir. There is regular all year service from French and Italian ports to Istanbul and Izmir by the Italian Adriatic Line.

There is regular rail service from Europe to Turkey. Trains to Istanbul run via Venice or Munich in a total time of 2 to 2½ days.

Travel in Turkey

Turkish Airlines (THY) operates regular services between Istanbul, Izmir and Ankara and services linking a number of other important Turkish towns.

There are regular steamship services between Istanbul and all the large coastal towns. The journey from Istanbul to Izmir by boat takes from 20 to 25 hours.

Istanbul is linked by rail with the coastal towns of Izmir, Mersin, Iskenderun, Zonguldak and Samsun; sleeping and restaurant coaches are available. The Anadolu Express runs daily between Istanbul and Ankara (12 hours), equipped with sleeping accommodations and restaurant coaches.

Bus services link most of the larger towns in Turkey, but travelling in this way is uncomfortable, dusty and crowded.

Taxis may be hired in all the main cities and are identified by their yellow and black check markings. Meters are not used and aggressive bargaining is needed before the start of the journey to ensure a reasonable fare.

An economical way of travelling in the cities is by *dolmus*. This is a network of taxis shared between as many as eight people which operate between Istanbul, Ankara and nearby towns and can usually be boarded anywhere en route. The cost is much less than that for an ordinary taxi.

Self-drive cars may be hired through a travel agent, international airline office, hotel or one of the car-rental firms. A valid international driving licence is required.

Tipping

In addition to the service charge at a restaurant, a tip of up to 10 per cent of the bill is usually given for good service. For some service, e.g. porters at railway stations, there is a scale of charges on display and it is usual to pay this plus a small amount.

porters:	TL 30 per package
taxi drivers:	no tipping
cloakroom attendants:	TL 50
cinema ushers:	TL 10
barbers:	TL 50

Hotels

There are a number of luxury, first or second class hotels in Ankara, Istanbul and Izmir and first or second class hotels in most of the main towns. A service charge of 15 per cent plus 3 per cent state tax are levied on hotel and restaurant bills.

- ***** — First class
- **** — Better hotel of reasonable Canadian standard
- *** — Second class
- AMEX — American Express Card accepted
- Diners — Diners Club Credit Card accepted

Ankara

Büyük Ankara Oteli — **** — Ataturk Blv. 183, Ankara. Tel: 17 11 06; Telex: 42398 GTEL TR. AMEX

Etap Oteli — ***** — Ataturk Blv. 80, Ankara. Tel: 18 31 40; Telex: 42294 MOLA TR. AMEX, Diners

Otel Tunalı — ***** — Tunalı Hilmi Cad. 119, Ankara. Tel: 27 81 00; Telex: 42142 YEL TR. Diners

Marmara Oteli — ***** — Çiftlik, Ankara. Tel: 23 13 61; Telex: 42275 MAOT TR. Diners

Kent Oteli — ***** — Mithatpasa Cad. 4, Ankara. Tel: 18 42 20; Telex: 42424 KENT TR. AMEX, Diners

Bulvar Palas — *** — Ataturk Blv. 141, Ankara. Tel: 17 50 20; Telex: 42613 BLVD TR.

Dedeman Oteli — ***** — Büklüm Sok. 1, Ankara. Tel: 17 11 00; Telex: 42408 DEDE TR. Diners

Istanbul

Sheraton Oteli — **** — Taksim, Istanbul.

Tel: 48 90 00; Telex: 22729 SHER TR. AMEX, Diners

Hilton Oteli — **** — Cumhuriyet Cad., Istanbul.

Tel: 46 70 50; Telex: 22379 ISHI TR. AMEX, Diners

Etap Marmara — **** — Taksim, Istanbul.

Tel: 44 88 50. AMEX, Diners

Etap Oteli — **** — Tepebasi, Istanbul. Tel: 44 88 80;

Telex: 22725 BOT TR. AMEX, Diners

Büyük Tarabya Oteli — ***** — Tarabya, Istanbul.

Tel: 62 10 00; Telex: 22203 HTRB TR. AMEX, Diners

Divan Oteli — ***** — Cumhuriyet Cad., Taksim,

Istanbul. Tel: 46 40 20; Telex: 22402 DVAN TR. AMEX, Diners

Carlton Oteli — ***** — Yenikoy, Istanbul.

Tel: 62 10 20; Telex: 22660 CARL TR. AMEX, Diners

Pera Palas Oteli — *** — Mesrutiyet Cad. 98,

Istanbul. Tel: 45 22 30; Telex: 22029 PERA TR. AMEX, Diners

Macka Oteli — *** — Nisantasi, Istanbul. Tel: 40 10 53;

Telex: 23113 MAKO TR. AMEX, Diners

Izmir

Büyük Efes Oteli — **** — Cumhuriyet Meydani,

Izmir. Tel: 14 43 00; Telex: 42341 EFES TR. AMEX, Diners

Etap Oteli — ***** — Cumhuriyet Meydani, Izmir.

Tel: 14 42 95; Telex: 42463 ANER TR. AMEX

Antalya

Antalya Oteli — **** — Fener Cad. Hasim Iscan

Mah., Antalya. Tel: 5600; Telex: 56111 TATA TR. AMEX, Diners

Mersin

Mersin Oteli — ***** — Gumruk Meydani, Mersin.

Tel: 2200-1389, 2214-2638; Telex: 67180 MRS TR. Diners

Samsun

B y k Samsun Oteli — ***** — Sahil Cad., Samsun.
Tel: 7720-21-22.

Bursa

 elik Palas — ***** —  ekirge Cad. 79, Bursa.
Tel: 19600 - 19606; Telex: 32121 CEPA TR. AMEX,
Diners

VI. *FEDERAL EXPORT PROGRAMS AND SERVICES*

To further Canadian export development objectives two federal trade promotional programs are available, namely;

- a) the Promotional Projects Program (PPP) through which the Department of External Affairs plans and implements promotional projects abroad; and
- b) the Program for Export Market Development (PEMD) through which repayable loans are made to individual companies to cover costs in developing export business which might otherwise not be undertaken.

Through the PPP, Canadian trade fairs abroad, trade missions and trade visits are initiated, organized and implemented by the department. The range of these activities includes participation in international trade fairs, solo shows and in-store promotions; the organizing of technical seminars and trade missions abroad; and the sponsoring of foreign visits to Canada to stimulate the sale of Canadian products in various export markets.

In contrast to the PPP projects, proposals under PEMD are made by Canadian industry rather than the government. Through PEMD, repayable loans are made to individual companies to cover costs in developing export business which, because of the risks involved, might otherwise discourage such initiatives. PEMD is made up of several sections each of which is designed to deal most effectively with a particular market in terms of the regions, products or services and marketing techniques concerned. Section A deals with Canadian participation in capital projects abroad; Section B, with the export of Canadian products and services; Section C, with participation in trade fairs abroad; Section D, with the bringing of foreign buyers to Canada; and Section E, with the formation of export consortia. In all sections, companies are encouraged to develop self-sustaining export markets

for their products. For details, see the PEMD brochure.

For further information regarding both the PPP and PEMD programs, please contact the Western European Division, Office of Trade Development - Europe, Department of External Affairs.

Of importance to Canadian businessmen is the Export Development Corporation (EDC), a crown corporation that reports to Parliament through the Minister of State for International Trade.

The main functions of EDC are:

1. to ensure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving invisible exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks or copyrights;
2. to issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale; guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and not available from commercial lenders; major engineering and other technical services may be financed, even when such sales are not related to the export of goods;
4. to insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

For further information on EDC services contact:

Export Development Corporation
Head office
110 O'Connor Street
Ottawa, Ontario
K1P 5T9

Tel: (613) 237-2570
Telex: 053-4136

APPENDIX A — TURKISH MINISTRIES AND AGENCIES

Ministries

Ticaret Bakanligi (Ministry of Commerce) —

Controls domestic and foreign trade, distribution of import and export licenses; establishes floor prices; controls Chambers of Commerce and formation of private companies; sets import regime.

Gida, Tarim ve Hayvancilik Bakanligi (Ministry of Food, Agriculture and Animal Husbandry) —

Controls the production, development, sales and exports of all food, agricultural and animal products; sets import and export rules and regulations for agricultural and food products; controls state production farms; animal and poultry development, meteorology; close cooperation with the Faculty of Agriculture; controls imports of fertilizer.

Sanayi ve Teknoloji Bakanligi (Ministry of Industry and Technology) —

Controls the establishment of all private and state industrial enterprises, quality of production and sale prices; controls imports and exports of industrial products; issues import permit and incentive licences; new technological development; control of all imports of iron and steel and controls all state industrial plants.

Enerji ve Tabii Kaynaklar Bakanligi (Ministry of Energy and Natural Resources) —

Responsible for the production and distribution of power; research, exploration and production of mines, petroleum and coal; controls petroleum refineries and petrochemical complexes and sales of petroleum products; sets energy prices.

Köyisleri ve Kooperatifler Bakanlığı (Ministry of Rural Affairs and Co-operatives)

— Construction of rural roads; supply of water and electricity to the villages; irrigation; establishment of village co-operatives; purchase of related equipment; controls the re-establishment of villages.

Bayındırlık Bakanlığı (Ministry of Public Works) — Responsible for the construction of highways, airports, ports and railways and up-keep highways and railways.

Ulaştırma Bakanlığı (Ministry of Communications) — Responsible for construction and distribution of telephone, telegraph installations; controls all land, sea and air transportation; controls all prices and schedules of railways, maritime lines and airlines, civil aviation, radio links, operations of airports, sea ports and railways microwave networks, telephone switching, postal services, satellite communications.

Milli Savunma Bakanlığı (Ministry of Defence) — Controls Turkish Armed Forces; construction of military airports, pipelines; detailed mapping of Turkey; construction of naval vessels.

Gümrük ve Tekel Bakanlığı (Ministry of Customs and Monopolies) — Responsible for all customs rules and regulations; manufacturing of cigarettes, tea and some liquor; controls the purchase of related equipment; imports of whisky and other alcoholic beverages which are not locally manufactured.

Sağlık ve Sosyal Yardım Bakanlığı (Ministry of Health) — Controls all hospitals and clinics (except university, military hospitals and private clinics); purchases and distributes vaccines; issues permission to import pharmaceuticals and raw materials to manufacture medicines; purchases medical, laboratory and research equipment on behalf of all public hospitals.

Turizm ve Tanitma Bakanligi (Ministry of Tourism and Information) — Radio and television broadcasting; construction of stations and radio links; press and publications; public relations; controls touristic sites hotels, motels, holiday villages.

Imar ve Iskan Bakanligi (Ministry of Reconstruction and Settlement) — Town planning, rural development, construction of pre-fabricated houses, village settlement.

Milli Egitim Bakanligi (Ministry of Education) — Responsible for the construction and operation of all schools and universities; controls all private schools; purchases all necessary tools, machinery, training aids, and laboratory equipment, audio-visual products.

Autonomous and Semi-Autonomous Agencies

Merkez Bankasi (Central Bank) — Responsible for all foreign currency transfers.

Turkish Electricity Authority (TEK) — Responsible for production and distribution of power, construction of thermal power stations and nuclear power stations; purchase of all related equipment and plants.

State Hydraulic Works (D.S.I.) — Responsible for seismic studies and exploration of hydro-power dam sites; construction of hydro-power dams and purchase of all related equipment; irrigation; geophysical and geological surveys.

Mineral Research and Exploration (M.T.A.) — Responsible for all mineral research exploration including oil and uranium; purchases related equipment.

Machinery and Chemical Industry (M.K.E.K.)

— Responsible for the manufacturing production of heavy machinery, small arms, artillery, ammunition, missiles, explosives for the requirement of the Turkish armed forces; graders, lathes, industrial chemicals; prefabricated houses, jeeps.

Maritime Bank (Denizcilik Bankasi) —

Responsible for the construction of ships, up to 30,000 DWT in its shipyards; operates ships both passenger and cargo; purchases related equipment.

Turkish Airlines (THY) — Responsible for the operation of Turkish Airlines and the purchase of aircraft, ground handling equipment and aircraft repair equipment.

Post-Telephone-Telegraph (PTT) —

Responsible for the manufacture of telephone equipment; provides telephone, telex, telegraph, postal services, satellite communication; responsible for setting up plants, coaxial networks, microwave networks.

Etibank — Responsible for the production of certain mines; setting up production plants; does some further exploration on producing mines; sale of mine output; imports required raw materials and equipment.

Turkish Iron and Steel Works — Responsible for the production of iron and steel, purchase of raw material and expansion of the existing plants and construction of new mills; purchases coking coal.

Eregli Iron and Steel Mills — Manufactures flat products; purchases raw materials and machinery; enters into long-term agreements for coal and iron ore; responsible for the expansion of the existing mill. (This firm is reasonably autonomous as the Turkish government owns only 49 per cent of the equity.)

Black Sea Copper Concentrates (Karadeniz Bakir Isletmeleri) — Produces copper concentrates; responsible for geophysical, geological studies and further exploration of existing copper properties; purchases related equipment.

General Directorate of Monopolies (Tekel Genel Müdürlüğü) — Responsible for the production of cigarettes, liquor and tea; responsible for the purchase of related equipment, production plants, cigarette papers and filters.

Turkish Cement Industries (Türkiye Cimento Sanayii) — Responsible for the operation of 26 cement mills and for the export of cement; purchase of related equipment and of complete mills; controls the quantities and prices of cement to be exported.

İller Bank (Municipalities Bank) — Responsible for the purchase of equipment required by the municipalities; constructs water, sewage disposal systems, etc., for certain municipalities.

Turkish Petroleum (T.P.A.O.) — Responsible for the seismic, geophysical, geological studies, exploration and production of oil, purchase or lease of equipment and rigs; owns and operates the state-owned refineries.

Soil Products Office (T.M.O.) — Responsible for the purchase and sale of wheat, barley, lentils and rice; sets floor prices; operates and constructs grain storage facilities and purchases grain handling equipment.

Turkish Coal Works (T.K.I.) — Responsible for the operation of coal mines, purchases related equipment and machinery; exploration studies, setting coal prices; provides coal and lignite to the thermal power plants, iron and steel companies and sells coal and lignite to the public for heating purposes.

Petrol Ofisi — Responsible for the marketing of oil products; operates gasoline stations and tankers; purchases related equipment and machinery and tankers.

State Pulp and Paper Corporation (S.E.K.A.) — Responsible for the construction and production of pulp, paper and newsprint mills; imports newsprint; imports all equipment, machinery and complete mills.

Rural Road Water and Power General Directorate (Y.S.E.) — Responsible for the construction and maintenance of rural roads, provides water and electricity to the villages, purchases related equipment and machinery.

Turkish State Railways (T.C.D.D.) — Responsible for the operation and maintenance of the railways and for the manufacture of diesel electric locomotives; purchases of locomotives, rails, signalization equipment and other equipment and machinery.

Sugar Factories — Responsible for the construction and production of sugar plants; purchases related equipment and machinery; purchases of quality cattle; production of milk; purchase of tractors.

Sümerbank — Responsible for the manufacturing of various types of textiles, industrial chemicals, shoes, ceramics and purchases of related equipment and machinery and raw materials.

Azot Sanayii — Responsible for the production of nitrogen and other fertilizers; purchase of related equipment, machinery and complete mills.

Petkim — Responsible for the construction of petrochemical complexes and for the production of petrochemical products; purchases related equipment and machinery and complete mills and raw materials.

Turkish Radio-Television Corp. (T.R.T.) —

Responsible for radio and television broadcasting; setting up new broadcasting stations; purchases related equipment and machinery for the construction of stations and radio links.

State Airports Administration (D.H.M.I.) —

Responsible for the operation of airports; purchases servicing equipment and machinery.

Turkish Agricultural Supply Organization

(T.Z.D.K.) — Responsible for the purchase and distribution of fertilizers; production and purchase of tractors.

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- | | |
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International Commerce | <i>Marketing in Turkey.</i> Overseas Business Report (OBR 75-36), Government Printing Office, Washington, D.C. |
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APPENDIX C — USEFUL ADDRESSES

Canadian Embassy

Nenehatun Caddesi 75

Gaziosmanpasa, Ankara, Turkey

Tel: 27 58 03/04/05

Telex: (607) 42369 (DCAN TR)

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